

**§ 951.9 Modifications of applications after project completion.**

*Modification procedure.* If, after final disbursement of funds to a project from all funding sources, there is or will be a change in the project that would change the score that the project application received in the funding period in which it was originally scored and approved, had the changed facts been operative at that time, a Bank, in its discretion, may approve in writing a modification to the terms of the approved application, other than an increase in the amount of subsidy approved for the project, provided that:

(a) The project is in financial distress, or is at substantial risk of falling into such distress;

(b) The project sponsor or owner has made best efforts to avoid noncompliance with the terms of the application for subsidy and the requirements of this part;

(c) The project, incorporating any material changes, would meet the eligibility requirements of § 951.5(b); and

(d) The application, as reflective of such changes, continues to score high enough to have been approved in the funding period in which it was originally scored and approved by the Bank.

(The Office of Management and Budget has approved the information collection contained in this section and assigned control number 3069–0006 with an expiration date of June 30, 2004)

[62 FR 41828, Aug. 4, 1997, as amended at 64 FR 23016, Apr. 29, 1999; 65 FR 5419, Feb. 4, 2000; 65 FR 8264, Feb. 18, 2000]

**§ 951.10 Initial monitoring requirements.**

(a) *Requirements for project sponsors and owners—*(1) *Owner-occupied projects.*

(i) During the period of construction or rehabilitation of an owner-occupied project, the project sponsor must report to the member semiannually on whether reasonable progress is being made towards completion of the project.

(ii) Where AHP subsidies are used to finance the purchase of owner-occupied units, the project sponsor must maintain household income verification documentation available for review by the member or the Bank.

(2) *Rental projects.* (i) During the period of construction or rehabilitation of a rental project, the project owner must report to the member semiannually on whether reasonable progress is being made towards completion of the project.

(ii) Within the first year after project completion, the project owner must:

(A) Certify to the Bank that the services and activities committed to in the AHP application have been provided in connection with the project;

(B) Provide a list of actual tenant rents and incomes to the Bank and certify that:

(1) The tenant rents and incomes are accurate and in compliance with the rent and income targeting commitments made in the AHP application; and

(2) The project is habitable; and

(C) Maintain documentation regarding tenant rents and incomes and project habitability available for review by the Bank, to support such certifications.

(b) *Requirements for members—*(1) *Owner-occupied projects.*

(i) During the period of construction or rehabilitation of an owner-occupied project, the member must take the steps necessary to determine whether reasonable progress is being made towards completion of the project and must report to the Bank semiannually on the status of the project.

(ii) Within one year after disbursement to a project of all approved AHP subsidies, the member must review the project documentation and certify to the Bank that:

(A) The AHP subsidies have been used according to the commitments made in the AHP application; and

(B) The AHP-assisted units are subject to deed restrictions or other legally enforceable retention agreements or mechanisms meeting the requirements of § 951.13(c)(4) or (d)(1);

(2) *Rental projects.* During the period of construction or rehabilitation of a rental project, the member must take the steps necessary to determine whether reasonable progress is being made towards completion of the project and must report to the Bank semiannually on the status of the project.